

Message Text

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PAGE 01 LAGOS 08265 121434Z

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ACTION AF-18

INFO OCT-01 ISO-00 COME-00 SCEM-02 SCI-06 FPC-01 EB-11

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FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 1401

INFO AMEMBASSY ABIDJAN

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E.O. 11652 : N/A

TAGS : ENRG, EIND, NI

SUBJ : GE WINS BID FOR GAS-FIRED POWER STATION

REF : LAGOS A-100, MAY 10, 1973

1. SUMMARY. GENERAL ELECTRIC HAS SOLD FIVE US-MADE GAS TURBINE GENERATORS WORTH DOLS13 MILLION FOR THE 100 MW UGHELLI POWER STATION. ALTHOUGH THIS DOUBLES NIGERIA'S CAPACITY TO MAKE ECONOMIC USE OF ITS ABUNDANT NATURAL GAS, THE NEW PLANT WILL CONSUME LESS THAN ONE PERCENT OF THE NATURAL GAS CURRENTLY BEING FLARED. END SUMMARY.

2. THE NATIONAL ELECTRIC POWER AUTHORITY (NEPA) ON OCTOBER 4 AWARDED DOLS13 MILLION CONTRACT TO GE FOR FIVE 20-MW GAS TURBINE GENERATORS TO BE INSTALLED NEXT YEAR AT UGHELLI (NEAR WARRI). THE NEW POWER PLANT WILL BE DIRECTLY FIRED WITH NATURAL GAS FROM THE UGHELLI FIELD, AND THE POWER WILL BE TRANSMITTED TO LAGOS.

3. GE WON THE BID IN COMPETITION WITH BROWN-BOVERI AND WESTINGHOUSE OF BELGIUM. FREQUENT VISITS TO LAGOS BY GE REPRESENTATIVE RESIDENT IN ABIDJAN AND HIGH-QUALITY POWER GENERATION SEMINAR COMPANY PRESENTED IN LAGOS LAST MAY CONTRIBUTED MATERIALLY TO GE'S SUCESS. FURTHER INFORMATION UNCLASSIFIED

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PAGE 02 LAGOS 08265 121434Z

AVAILABLE FROM D.P. DAVIS, GE INTERNATIONAL SALES DIVISION,

NEW YRK (212/750-4344). AWARD HAS NOT YET BEEN PUBLICLY ANNOUNCED, SO DEPARTMENT OF COMMERCE SHOULD GET GO-AHEAD FROM GE BEFORE RELEASING ANY DETAILS.

4. ACCORDING EMBASSY CALCULATIONS, 100 MW POWER PLANT UNDER NORMAL CONDITIONS (60 PERCENT CAPACITY FACTOR) WOULD CONSUME ABOUT 14 MILLION CUBIC FEET (MCF) OF NATURAL GAS PER DAY. TOTAL SALES OF NIGERIAN GAS IN MAY 1973 (LAST MONTH FOR WHICH DATA AVAILABLE) ALSO AVERAGED 14 MCF PER DAY, SO UGHELLI PROJECT REPRESENTS DOUBLING OF EXISTING CAPACITY TO MAKE ECONOMIC USE OF NIGERIA'S ABUNDANT NATURAL GAS.

5. ACCORDING OFFICIAL STATISTICS, GAS PRODUCED IN ASSOCIATION WITH CRUDE OIL WAS FLARED AT A RATE OF 1,946 MCF PER DAY DURING MAY 1973. UGHELLI PROJECT THEREFORE MAKES ONLY TOKEN USE OF THE AVAILABLE RESOURCE AND CANNOT BE COMPARED WITH PENDING LNG PROJECTS, EACH OF WHICH WOULD CONSUME 500 OR 750 MCF PER DAY. NEPA AWARD OF UGHELLI CONTRACT IS UNRELATED TO THE LONG-AWAITED FMG DECISION ABOUT LNG AND INDUSTRIAL USE OF NATURAL GAS.
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